each financial year, presents its Annual Policy Statement covering its assessment of macro economic and monetary conditions including outlook for inflation for the year and the overall policy stance.

(c) and (d) The Annual Policy Statement for 2006-07 issued in April 2006, among other things, had stated that the overall stance of monetary policy would be to ensure a monetary and interest rate environment that enables continuation of growth momentum consistent with price stability while being in readiness to act in a timely and prompt manner on any signs of evolving circumstances impringing on inflation expectations. Taking into account the macro economic and overall monetary conditions, the RBI had hiked repo rate to 6.75 per cent on June 9,2006, to 7.00 per cent on July 25,2006 and further to 7.25 per cent on October 31,2006.

(e) While monetary policy is under the purview of RBI, fiscal policy comes under the domain of the Government. As such, there is no proposal to have multiple agencies to monitor inflation.

"Refund Banker" for income tax refunds

612. SHRI V. HANUMATHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Govemment will launch a pilot project called "Refund Banker" to ensure that income tax refunds are returned in a fast and transparent manner;

(b) if so, the details of this "Refund Banker" scheme;

(c) the steps Income Tax Department is taking for transparent and a friendly system of returning refunds; and

(d) the monitoring system presently in place to check harassment and non return of refunds on flimsy grounds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir.

(b) U nder the scheme of "Refund Banker", the designated bank will be issuing to the taxpayers the refund as determined by the Income Tax Department, either through a cheque or direct credit in the bank account of the taxpayers. The scheme is proposed to be initially launched as a pilot project in one metropolitan and one non-metropolitan city for three months.

(c) Computerized processing of returns has been introduced to ensure correctness and timely issuance of refunds. Guidelines have been issued to the Income Tax Department for issuance of refunds within four months of filing of return. The refunds are being directly credited to the bank account of the taxpayers through Electronic Clearing System (ECS) in 12 cities. This facility is proposed to be extended to 24 more cities. All refund cheques carry the details of the bank account of the taxpayer so as to prevent any fraudulent encashment of refund. The refund of pensioners and senior citizens are being handed over to them at the time of filing of return itself.

(d) Senior officers of the Income Tax Department are monitoring and inspecting timely and proper issuance of refunds. Moreover, there are Grievance Cells and "Helpline" centres under various Chief Commissioners of Income Tax for redressing any grievance of the taxpayer relating to non-issuance of refunds. A grievance redressal machinary is also functioning in Central Board of Direct Taxes under the direct supervision of the Chairman.

Insurance cover to BPL families

613. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that only Government are considering to provide insurance cover to BPL families;

(b) if so, the details in this regard;

(c) what are the reaction of the insurance companies to the proposal;

(d) whether private insurance companies would also be associated'with the scheme; and

(e) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Insurance Regulatory and Development Authority (IRDA) has reported that it has notified Micro Insurance Regulations under which insurance companies, both publicand private, can develop specific insurance products that suit various market segments including BPL families. In addition to this, the Government has already redesigned the Universal Health Insurance Scheme *w.e.f.*